

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING and SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING FINANCIAL STATEMENTS
For the Years Ended June 30, 2011 (Consolidating) and 2010 (Unconsolidated)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 08 2012**



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community School for Apprenticeship Learning
Baton Rouge, Louisiana

We have audited the accompanying consolidating statement of financial position of Community School for Apprenticeship Learning (a nonprofit School) and subsidiary as of June 30, 2011, and the related consolidating statements of activities and cash flows for the year then ended. We have also audited the statement of financial position of Community School for Apprenticeship Learning as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These consolidating and unconsolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 2011 consolidating financial statements referred to above present fairly, in all material respects, the individual and consolidated financial positions of Community School for Apprenticeship Learning and subsidiary as of June 30, 2011, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the 2010 financial statements present fairly, in all material respects, the financial position of Community School for Apprenticeship Learning as of June 30, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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Certified Public Accountants
December 15, 2011

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING and SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
(See Notes to Financial Statements)
June 30, 2011 and 2010

ASSETS

	2011				2010
	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total	Unconsolidated Total
CURRENT ASSETS:					
Cash - Unrestricted	\$ 187,317	\$ -	\$ -	\$ 187,317	\$ 485,718
Accounts Receivable - MFP	68,309	-	-	68,309	74,598
Other Miscellaneous Receivables	5,707	-	-	5,707	13,121
Employee Receivable	2,285	-	-	2,285	2,931
Due from Related Party	571,430	-	(571,430)	-	-
Prepaid Insurance	16,264	-	-	16,264	5,759
TOTAL CURRENT ASSETS	851,312	-	(571,430)	279,882	582,127
PROPERTY AND EQUIPMENT:					
Land	96,314	-	-	96,314	86,938
Buildings and Leasehold Improvements	300,140	-	-	300,140	237,699
Furniture and Fixtures	131,097	-	-	131,097	130,383
Equipment	264,158	-	-	264,158	166,415
Landscaping	1,870	-	-	1,870	1,870
Equipment - Virtual Academy	11,341	-	-	11,341	-
Construction in Progress - CSAL	5,006	-	-	5,006	-
Construction in Progress - MEC, Inc.	-	568,003	-	568,003	-
TOTAL PROPERTY AND EQUIPMENT	809,926	568,003	-	1,377,929	623,305
Less Accumulated Depreciation	205,471	821	-	206,292	134,213
NET PROPERTY AND EQUIPMENT	604,455	567,182	-	1,171,637	489,092
OTHER ASSETS:					
Restricted Cash for Construction	-	1,739,580	-	1,739,580	-
Loan Closing Cost - MEC, Inc.	-	31,697	-	31,697	-
TOTAL OTHER ASSETS	-	1,771,277	-	1,771,277	-
TOTAL ASSETS	\$ 1,455,767	\$ 2,338,459	\$ (571,430)	\$ 3,222,796	\$ 1,071,219

LIABILITIES AND NET ASSETS

	2011				2010
	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total	Unconsolidated Total
CURRENT LIABILITIES:					
Accounts Payable	\$ 2,503	\$ -	\$ -	\$ 2,503	\$ 25,943
Accrued Payroll Taxes	14,008	-	-	14,008	20,091
Payroll Liabilities	67,653	-	-	67,653	12,999
Line of Credit	97,985	-	-	97,985	128,972
Credit Card Payable	49,010	-	-	49,010	16,694
Due to LA Unclaimed Property	138	-	-	138	-
Other Payables	13,904	-	-	13,904	-
Due to Related Party	-	571,430	(571,430)	-	-
Accrued Insurance	9,372	-	-	9,372	1,721
Accrued Interest	-	8,283	-	8,283	-
Current Portion of Self Help Loan	-	44,316	-	44,316	-
TOTAL CURRENT LIABILITIES	254,573	624,029	(571,430)	307,172	206,420
NON-CURRENT LIABILITIES:					
Self Help Loan (Net of Current Portion)	-	1,705,684	-	1,705,684	-
TOTAL LONG-TERM LIABILITIES	-	1,705,684	-	1,705,684	-
TOTAL LIABILITIES	254,573	2,329,713	(571,430)	2,012,856	206,420
NET ASSETS:					
Unrestricted	1,201,194	8,746	-	1,209,940	864,799
TOTAL NET ASSETS	1,201,194	8,746	-	1,209,940	864,799
TOTAL LIABILITIES AND NET ASSETS	\$ 1,455,767	\$ 2,338,459	\$ (571,430)	\$ 3,222,796	\$ 1,071,219



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COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING AND SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING STATEMENTS OF ACTIVITIES
(See Notes to Financial Statements)
For the Years Ended June 30, 2011 and 2010

	2011			2010	
	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total	Unconsolidated Total
CHANGES IN UNRESTRICTED NET ASSETS					
PUBLIC SUPPORT REVENUES AND OTHER SUPPORT:					
East Baton Rouge Parish School Board Support - MFP	\$ 3,344,748	\$ -	\$ -	\$ 3,344,748	\$ 2,499,234
Support from Federal Programs	378,516	-	-	378,516	127,185
Support from State Programs	108,814	-	-	108,814	709,784
EBR Parish School Board Support - Food Allocation	12,790	-	-	12,790	20,099
Student Services - Food	4,834	-	-	4,834	6,540
Contributions	47,500	-	-	47,500	284,000
Interest Income	-	9,567	-	9,567	-
Miscellaneous Income and Student Fees	52,509	-	-	52,509	34,884
TOTAL PUBLIC SUPPORT REVENUES AND OTHER SUPPORT	3,949,711	9,567	-	3,959,278	3,681,726
EXPENDITURES:					
PROGRAM EXPENSES	2,131,103	-	-	2,131,103	2,149,855
ADMINISTRATIVE EXPENSES	1,482,213	821	-	1,483,034	1,004,339
TOTAL EXPENDITURES	3,613,316	821	-	3,614,137	3,154,194
INCREASE IN UNRESTRICTED NET ASSETS	336,395	8,746	-	345,141	527,532
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	864,799	-	-	864,799	318,790
PRIOR PERIOD ADJUSTMENTS	-	-	-	-	18,477
UNRESTRICTED NET ASSETS AT END OF YEAR	\$ 1,201,194	\$ 8,746	\$ -	\$ 1,209,940	\$ 864,799



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COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING and SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING STATEMENTS OF CASH FLOWS
(See Notes to Financial Statements)
For the Years Ended June 30, 2011 and 2010

	2011				2010	
	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total	Unconsolidated Total	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from East Baton Rouge School Board	\$ 3,363,827	\$ -	\$ -	\$ 3,363,827	\$ 2,519,169	
Cash Received from Federal and State Programs	47,500	-	-	47,500	284,000	
Cash Received from Other Sources	511,078	50,576	-	561,654	915,714	
Cash Paid to Employees	(1,879,226)	-	-	(1,879,226)	(1,553,850)	
Cash Paid for Goods and Services	(1,544,219)	(41,049)	-	(1,585,268)	(1,491,669)	
	498,960	9,527	-	508,487	673,364	
NET CASH PROVIDED BY OPERATING ACTIVITIES						
	(9,376)	-	-	(9,376)	(86,938)	
CASH FLOWS FROM INVESTING ACTIVITIES:						
Payments for Land	(62,441)	-	-	(62,441)	(206,949)	
Payments for Buildings and Improvements	(109,084)	-	-	(109,084)	(82,741)	
Payments for Equipment	(714)	-	-	(714)	(79,693)	
Payments for Furniture and Fixtures	(5,006)	-	-	(5,006)	-	
Payments for Construction in Progress	(568,003)	-	-	(568,003)	-	
Payments for Construction in Progress on behalf of MEC, Inc.	-	(1,739,580)	-	(1,739,580)	-	
Purchase of Assets Restricted for Construction	(754,624)	(1,739,580)	-	(2,494,204)	(456,321)	
NET CASH USED BY INVESTING ACTIVITIES						
	(30,987)	-	-	(30,987)	59,346	
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repayments to Line of Credit	-	1,750,000	-	1,750,000	-	
Proceeds from Self Help Loan - Restricted for Construction	-	(19,947)	-	(19,947)	-	
Payments for Loan Closure	(11,750)	-	-	(11,750)	-	
Payments for Loan Closure on behalf of MEC, Inc.	(42,737)	1,730,053	-	1,687,316	59,346	
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES						
	(298,401)	-	-	(298,401)	276,389	
NET (DECREASE) INCREASE IN CASH	485,718	-	-	485,718	209,329	
BEGINNING CASH BALANCE	\$ 187,317	\$ -	\$ -	\$ 187,317	\$ 485,718	
ENDING CASH BALANCE						



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COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING and SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-1-
June 30, 2011 and 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation – The accompanying 2011 financial statements reflect the consolidated financial statements of Community School for Apprenticeship Learning. (the Parent Company) and Making Education Count, Inc. (the Subsidiary), formed on August 1, 2010. The Board of Directors for Community School for Apprenticeship are also the Board of Directors for Making Education Count, Inc. The Subsidiary obtained a loan for the construction of a building to be used solely by the Parent Company. Material inter-company transactions have been eliminated. The financial statements for the year ended June 30, 2010 are not consolidated and only include the transactions of Community School for Apprenticeship Learning.

Nature of Operations – Community School for Apprenticeship Learning (the School) is an independent public middle school with a charter to operate in East Baton Rouge Parish expiring June 30, 2012. The School has an enrollment of 169 students and teaches using a project based instruction as one of the primary tools of delivery for children who have difficulties learning in a traditional school model. During 2009, the School applied for and received a charter to operate a public high school in East Baton Rouge Parish. At the High School, students focus on either a liberal arts or a math/science student track, with their senior year focusing on the specific academic track and allowing students to intern with local companies to get experience and exposure in the workplace in areas related to their academic track. Madison Preparatory High School opened for the 2009-2010 school year with a ninth grade class and will add a grade each of the following three years. During the 2010-2011 school year Madison Preparatory had an enrollment of 210 students. The initial charter is for five years but will be re-evaluated after three years.

The School is a nonprofit School as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. Making Education Count, Inc. (MEC) was organized to obtain a loan to construct a gym for Community School for Apprenticeship Learning. MEC is a nonprofit organization as described by Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Accounting – The financial statements were prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation – The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the directions of the governing board. Temporarily restricted assets are resourced that are limited by donor-imposed stipulations that either expires by passage of time or can be fulfilled and removed by specific action pursuant to those stipulations. Permanently restricted assets are those resources whose use is limited to donor-imposed stipulations that neither expires by passage of time nor can be fulfilled or otherwise removed by specific action.

Support – The school is issued monthly per pupil Minimum Foundation Program (MFP) distributions as determined by the State Department of Education through the East Baton Rouge Parish School Board. The distribution is based on the October 1 enrollment and is adjusted accordingly for any State Department of Education audit adjustments.

The School also applies for various grants from the private and public sector. The grants are for specific items and are nonrecurring. The School also receives federal and state funds passed through the Louisiana Department of Education and the Louisiana Department of Social Services for various after school programs.

Concentration of Support – The School received approximately 85% and 68% of its annual revenue from the East Baton Rouge Parish School Board for the year ended June 30, 2011 and 2010, respectively.

Contributions – Contributions received are allocated as restricted or unrestricted based on the donors' stipulations.

Donated Services – No amounts have been reflected in the financial statements for donated services. The School generally pays for services requiring specific expertise. Some Board Members volunteer their time and perform a variety of tasks that assist with administrative programs.



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COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING and SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-2-
June 30, 2011 and 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program – The sole program of the School is an instructional program.

Functional Expenses – The costs of providing various program and administrative services have been reported on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the various program and administrative services based on estimates made by management.

Cash and Cash Equivalents – The Parent Company and Subsidiary both consider all highly liquid investments purchases with maturity of three months or less to be cash equivalents.

Property and Equipment – Purchased property and equipment is capitalized at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the assets.

Accounts Receivable – Bad debts are charged to operations in the year in which the account is determined uncollectible. If the reserve method of accounting for uncollectible accounts were used, it would not have a material effect on the financial statements. No amounts for an allowance for bad debts have been established as the School expects to collect the balance in full.

Advertising – The School expenses advertising costs as they are incurred. Advertising costs during 2011 and 2010 were \$1,851 and \$600, respectively.

Use of Estimates – Management used estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were assumed in preparing the financial statements.

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable - MFP at June 30, 2011 and 2010 represent the amounts due from the East Baton Rouge Parish School Board net of monthly expenses paid directly to the School Board through deduction from total support. These amounts were received within 60 days after year-end.

NOTE 3: RESTRICTED CASH

During the year, Making Education Count, Inc. obtained a loan for the construction of a gym. The loan proceeds are held in a separate account and are restricted for the construction of the gym.

NOTE 4: OPERATING LEASE

The School leases its facilities from the East Baton Rouge Parish School Board on a year-to-year basis. From July, 2008 through December 2008, monthly rent of \$5,083 was deducted from the monthly support. On December 18, 2008, the school entered into a new lease agreement with the school board which reduced the monthly rent charged to the school from \$5,083 to \$100. Total rent paid during the year ended June 30, 2011 and 2010 was \$1,200 for both years. The new lease agreement expires on June 30, 2012. As a result of the agreement Community School for Apprenticeship Learning will now be responsible for utilities expense, janitorial expenses, and other maintenance charges previously assumed by the East Baton Rouge School Board. Estimated annual rental obligation for the year ending June 30, 2012 is \$1,200.

The School leases office equipment on a monthly basis. The monthly rental cost is \$575 per month. Total equipment rental for the year ended June 30, 2011 and 2010 was \$7,225 and \$0, respectively.



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COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING and SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-3-
June 30, 2011 and 2010

NOTE 5: RETIREMENT PLAN

School employees are covered by the East Baton Rouge Parish Teacher's Retirement Plan. Employees are required to defer 8% of their salary into the plan. The School contributed an additional 20.2% into the plan for the years ended June 30, 2011. During the year ended June 30, 2011 and 2010, the School contributed \$355,791 and \$205,322, respectively, to the plan. Individuals employed for the after school programs are not eligible to participate in the Teachers Retirement Plan but are covered by the social security system.

NOTE 6: TRANSACTION WITH RELATED PARTY

The school paid a related party \$2,000 during the year ended June 30, 2011 for grant writing services.

During the year, Community School for Apprenticeship Learning paid various expenses and capitalized improvements on behalf of Making Education Count, Inc. These amounts are reflected in the Due to/from Related Party account and consist of the followed:

Capitalized Interest	\$ 41,009
Loan Closing Costs	11,750
Capital Improvements	<u>518,671</u>
	<u>\$ 571,430</u>

NOTE 7: INCOME TAXES

On July 1, 2009, the Organization adopted the recent accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The Organization's administration recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The Organization's administration has evaluated its position regarding the accounting for uncertain income tax positions. The Organization's administration does not believe that it has any uncertain tax positions. With few exceptions, the Organization is no longer subject to federal, state, or local tax examinations by tax authorities for years before 2008.

NOTE 8: LINE OF CREDIT

On February 13, 2009, the School secured a \$200,000 line of credit with a bank. The funds were used to fund the buildings, improvements and equipment for the new high school. The line of credit bears interest at the rate published by the Wall Street Journal, with an interest rate floor of 5%. At June 30, 2011, the interest rate was 5%. The line matures on August 26, 2012, and is secured by an education grant. The balance at June 30, 2011 and 2010 was \$97,985 and \$128,972, respectively.

NOTE 9: LONG-TERM DEBT

On December 30, 2010, Making Education Count, Inc. (MEC) entered into a 7 year loan payable to Self-Help New Markets VII, L.L.C. in the initial principle amount of \$1,750,000. Community School for Apprenticeship Learning, Inc. has guaranteed the loan unconditionally. Commencing on February 1, 2011, through July 1, 2011, MEC shall make payments of interest in monthly installments based on a 5.68% interest rate and the daily principle balance of the loan. Commencing on August 1, 2011, MEC shall make payments of principle and interest in monthly installments of \$12,221, with a final payment of all unpaid principle and interest due on the maturity date of March 31, 2017.



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COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING and SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-4-
June 30, 2011 and 2010

NOTE 9: LONG-TERM DEBT (CONTINUED)

Aggregate maturities of long-term debt for the next five years are as follows:

2012	\$44,316
2013	\$51,047
2014	\$54,023
2015	\$57,173
2016	\$60,507

NOTE 10: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Reconciliation of net income to net cash provided by operating activities:

	2011	2010
Increase in Net Assets	\$ 345,141	\$ 527,532
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Voided Prior Period Checks	-	18,477
Depreciation	72,079	31,774
Decrease (Increase) in Accounts Receivable – MFP	6,289	(164)
Decrease in Accounts Receivable – Federal Programs	-	38,110
Decrease in Accounts Receivable – Louisiana Programs	-	12,332
Decrease (Increase) in Employee Receivable	646	(1,663)
Decrease (Increase) in Miscellaneous Receivable	7,414	(13,121)
Increase in Prepaid Expenses	(10,505)	(1,322)
(Decrease) Increase in Accounts Payable	(23,440)	25,189
(Decrease) Increase in Payroll Taxes Payable	(6,083)	9,568
Increase in Payroll Liabilities	54,654	11,863
Increase in Accrued Interest	8,283	-
Increase in Due To EBR	10,221	-
Increase in Other Payable	36,137	13,068
Increase in Accrued Insurance	7,651	1,721
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 508,487</u>	<u>\$ 673,364</u>

Cash paid for interest expense during the year ended June 30, 2011 and 2010 was \$51,045 and \$9,602, respectively.

NOTE 11: CONCENTRATION OF CREDIT RISK

Making Education Count, Inc. maintains its cash balance in one financial institution. At times, such balances may be in excess of the NCUA insurance limit.

NOTE 12: COMMITMENTS

The School and MEC, Inc. have continued construction on the gym. As of December 15, 2011, there were approximately \$152,000 in signed construction projects in process.

NOTE 13: PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2010, the school voided old outstanding checks totaling \$18,477. This increased net assets by \$18,477.

NOTE 14: SUBSEQUENT EVENTS

The school has evaluated all subsequent events through December 15, 2011, the date the financial statements were available to be issued.



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COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING and SUBSIDIARY
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

Section A - Summary of Auditor's Reports

- The auditor's report expresses an unqualified opinion on the financial statements of the Community School for Apprenticeship Learning.
- No deficiencies were disclosed during the audit of the financial statements.
- No instances of noncompliance were disclosed during the audit of the financial statements.
- The Community School for Apprenticeship Learning and Subsidiary was determined to be a low-risk auditee for the year ended June 30, 2011.

Section B - Financial Statement Findings

Current Year Finding:

None

Prior Year Finding

2010-1 Late Financial Reporting to Louisiana Legislative Auditor

Finding

Audited financial statements were not submitted to the Louisiana Legislative Auditor's office by 6 months after year end.

Response

The audit for the year ended June 30, 2011 will begin much earlier and audit will be submitted timely for the year ended June 30, 2011.

SUPPLEMENTAL INFORMATION



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COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Years Ended June 30, 2011 and 2010

	2011			2010	
	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total	Unconsolidated Total
EXPENDITURES:					
PROGRAM EXPENSES:					
Salaries	\$ 1,245,294	\$ -	\$ -	\$ 1,245,294	\$ 1,205,609
Payroll Taxes	6,247	-	-	6,247	6,807
Employee Benefit Other	10,798	-	-	10,798	19,220
Materials, Supplies, Books, & Periodicals	71,108	-	-	71,108	137,252
Dues and Subscriptions	16,981	-	-	16,981	10,268
Food Service	160,567	-	-	160,567	142,038
Health Insurance	199,097	-	-	199,097	185,896
Miscellaneous	468	-	-	468	752
Technical and Professional Services	15,740	-	-	15,740	54,142
Repairs and Maintenance	982	-	-	982	250
Retirement	235,689	-	-	235,689	159,246
Transportation	120,765	-	-	120,765	167,787
Travel	14,860	-	-	14,860	28,029
Utilities	32,508	-	-	32,508	32,559
TOTAL PROGRAM EXPENSES	2,131,103	-	-	2,131,103	2,149,855
ADMINISTRATIVE EXPENSES:					
Salaries	634,578	-	-	634,578	348,833
Payroll Taxes	35,400	-	-	35,400	38,956
Advertising and Promotional	1,851	-	-	1,851	600
Materials, Supplies, Books, & Periodicals	129,825	-	-	129,825	122,622
Depreciation and Amortization	71,258	821	-	72,079	31,774
Dues and Subscriptions	16,507	-	-	16,507	7,689
Health Insurance	101,456	-	-	101,456	53,787
Insurance	28,687	-	-	28,687	17,497
Disposal	3,685	-	-	3,685	3,133
Miscellaneous	385	-	-	385	506
Postage and Telephone	22,623	-	-	22,623	21,467
Technical and Professional Services	140,907	-	-	140,907	115,289
Rent	1,200	-	-	1,200	1,200
Repairs and Maintenance	113,348	-	-	113,348	120,660
Retirement	120,102	-	-	120,102	46,076
Travel	22,694	-	-	22,694	3,510
Utilities	16,565	-	-	16,565	9,421
Interest Expense	10,575	-	-	10,575	9,602
EBR Parish School Board - Indirect Costs	10,566	-	-	10,566	51,717
TOTAL ADMINISTRATIVE EXPENSES:	1,482,213	821	-	1,483,034	1,004,339
TOTAL EXPENDITURES	\$ 3,613,316	\$ 821	\$ -	\$ 3,614,137	\$ 3,154,194



TWRU
CPAs & Financial Advisors

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Community School of Apprenticeship Learning and Subsidiary

We have audited the consolidating financial statements of Community School for Apprenticeship Learning and Subsidiary as of and for the year ended June 30, 2011 and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Community School for Apprenticeship Learning's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. According, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operating of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control of financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community School for Apprenticeship Learning's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2010-1.

We noted certain matters that were reported to management of Community School for Apprenticeship Learning in a separate letter dated December 15, 2011.

This report is intended for the information of the board of directors and management, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

TWRU

Certified Public Accountants
December 15, 2011

